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June 7, 1993

3-158A025

RECORDATION NO. 18252 FILED 1425

New Recordation No.

JUN 7 1993 12:15 PM

Dear Mr. Strickland:

On behalf of HCFS Business Equipment Corporation ("HCFS"), I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, executed counterparts of a primary document, not previously recorded, entitled Loan and Security Agreement ("Mortgage").

The parties to the enclosed Mortgage are:

Providence and Worcester Railroad Company - DEBTOR  
75 Hammond Street  
Worcester, Massachusetts 01610

HCFS Business Equipment Corporation - SECURED PARTY  
2700 Sanders Road  
Prospect Heights, Illinois 60070

The said Mortgage, among other things, acts to grant a security interest in the locomotives, rolling stock and other equipment listed in Exhibit B thereto from the Debtor to the Secured Party.

The equipment covered by the instant Mortgage is as identified in Exhibit B thereto.

A short summary of the Mortgage to appear in the ICC Index is as follows:

"Covers rolling stock as listed in Exhibit B"

Enclosed is a check in the amount of sixteen dollars (\$16.00) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.

Attorney for HCFS Business  
Equipment Corporation for the  
purpose of this filing.

Honorable Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423  
Enclosures  
BY HAND  
8368-020

Interstate Commerce Commission  
Washington, D.C. 20423

6/7/93

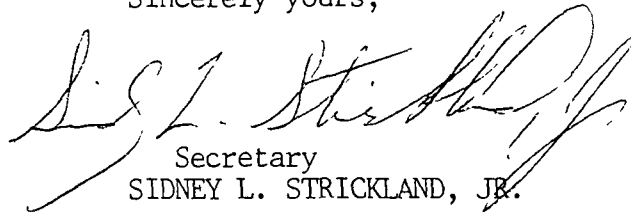
OFFICE OF THE SECRETARY

Allen H Harrison, Jr.  
Donelan, Cleary, Wood & Maser  
1275 K St. N.W. Suite 850  
Washington.D?C 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions  
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,  
on **6/7/93** at **12:15pm**, and assigned  
recordation number(s). **18252**

Sincerely yours,



Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

LOAN AND SECURITY AGREEMENT

JUN 7 1993 12:14 PM

INTERSTATE COMMERCE COMMISSION

Date: June 2, 1993

Debtor: PROVIDENCE AND WORCESTER RAILROAD COMPANY  
75 Hammond Street  
Worcester, Massachusetts 01610

Secured Party: HCFS BUSINESS EQUIPMENT CORPORATION  
2700 Sanders Road  
Prospect Heights, Illinois 60070

**THIS LOAN AND SECURITY AGREEMENT** (this "Agreement") dated as of the date written above is entered into by and between PROVIDENCE AND WORCESTER RAILROAD COMPANY, a Rhode Island corporation ("Debtor") and HCFS BUSINESS EQUIPMENT CORPORATION, a Delaware corporation ("Secured Party").

RECITALS

**WHEREAS**, Debtor seeks to refinance long-term debt; and

**WHEREAS**, Debtor desires that Secured Party extend financing to enable Debtor to refinance such debt and Secured Party is willing to provide such financing in an amount of Five Million Dollars (\$5,000,000) all on the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the mutual agreements contained herein, and subject to the terms and conditions hereof, Debtor and Secured Party agree as follows:

**SECTION 1. CERTAIN DEFINITIONS.** When used herein, the following terms shall have the following meanings:

**"Affiliate"** of any Person shall mean (i) any director (or Person holding the equivalent position) or officer (or Person holding the equivalent position) of such Person or of any Affiliate of such Person, and (ii) any other Person which, directly or indirectly, controls or is controlled by or under common control with such Person. A Person shall be deemed to be

(a) "controlled by" any other Person if such other Person possesses, directly or indirectly, power

(i) to vote 10% or more of the securities having at the time of any determination hereunder voting power for the election of directors of such Person (or Persons holding equivalent positions); or

(ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise; or

(b) "controlled by" or "under common control with" such other Person if such other Person is a member of the immediate family of such Person or is the executor, administrator, or other personal representative of such Person.

**"AAR"** shall mean American Association of Railroads.

**"Accounts Receivable"** shall mean, at any date, the amount which, in conformity with GAAP would be set forth opposite the caption "accounts receivable" (or any like caption) on a consolidated balance sheet of Debtor and its Subsidiaries at such date.

**"Closing Date"** shall mean the date of the initial funding.

**"Consolidated Current Assets"** shall mean, at any date, the amount which, in conformity with GAAP would be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of Debtor and its Subsidiaries at such date.

**"Consolidated Current Liabilities"** shall mean, at any date, the amount which, in conformity with GAAP, would be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of Debtor and its Subsidiaries at such date.

**"Consolidated Net Worth"** shall mean, at any date, the amount which, in conformity with GAAP, would be set forth opposite the caption "total shareholder's equity".

**"Debt Service Coverage Ratio"** shall mean, for any period, EBITDA divided by the sum of (i) the current portion of long term debt and capitalized leases as shown on the period end balance sheet of Debtor and its Subsidiaries prepared in conformity with GAAP plus (ii) interest expense incurred during said period, as determined at the end of any said period in conformity with GAAP.

**"EBT"** shall mean for any Fiscal Quarter or Fiscal Year earnings before taxes in conformity with GAAP.

**"EBITDA"** shall mean for any twelve month measurement period ending on the last day of each Fiscal Quarter or Fiscal Year the sum of the following: earnings before taxes, interest expense, depreciation expense and amortization expense which have occurred during said period, calculated at the end of said period in accordance with GAAP.

**"FRA"** shall mean the Federal Railroad Administration of the U.S. Department of Transportation.

**"Fiscal Quarter"** shall mean any Fiscal Quarter of Debtor, which Fiscal Quarters begin and end as follows:

January 1 through March 31  
April 1 through June 30  
July 1 through September 30  
October 1 through December 31

**"Fiscal Year"** shall mean any Fiscal Year of Debtor, which Fiscal Years begin on January first and end on the succeeding December thirty-first.

**"GAAP"** shall mean generally accepted accounting principles in the United States as in effect from time to time.

**"ICC"** shall mean the Interstate Commerce Commission of the United States of America.

**"Intangible Assets"** shall mean, with reference to Debtor, licenses, patents, patent applications, trademarks, and goodwill shown on the balance sheet of Debtor.

**"Leverage Ratio"** shall mean for any period Total Liabilities divided by Tangible Net Worth.

**"Person"** shall mean any natural person, corporation, firm, trust, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

**"Revolving Line of Credit"** shall mean debt provided by a financial institution for the purpose of financing Debtor's short-term working capital needs.

**"Subsidiary"** shall mean a corporation of which the indicated Person and/or its other subsidiaries, individually or in the aggregate, own, directly or indirectly, such number of outstanding shares as have at the time of any determination hereunder more than 50% of the ordinary voting power for the election of directors (or their equivalent under the laws of the jurisdiction or organization of such corporation).

**"Tangible Net Worth"** shall mean the Consolidated Net Worth of Debtor and its Subsidiaries calculated in accordance with GAAP minus Intangible Assets.

**"Total Liabilities"** at any date shall mean the amount which, in conformity with GAAP, would be set forth opposite the caption "liabilities" (or any like caption) on a consolidated balance sheet of Debtor and its Subsidiaries at such date.

**"Transaction Documents"** - see Section 3.2.

**"UCC"** shall mean the Uniform Commercial Code as then enacted in the applicable jurisdiction.

"**Unmatured Event of Default**" shall mean any event which if it continues uncured will, with lapse of time or notice or lapse of time and notice, constitute a Default pursuant to **Section 9** hereof.

**SECTION 2. LOAN; SECURITY INTEREST; COLLATERAL.** Subject to the terms and conditions of this Agreement, Secured Party hereby agrees to make a loan hereunder (the "**Loan**") to the Debtor, to be made no later than June 30, 1993. The interest rate for such Loan, except as otherwise provided in the Note as to the Overdue Rate and for Debtor's option to fix an interest rate pursuant to the terms of the Note, shall be variable as set forth in the Note. The Loan shall equal \$5,000,000, and shall not exceed the cost of the Collateral (as hereinafter defined). The terms of this Agreement shall be continuing until all of the Obligations (as hereinafter defined) of Debtor to Secured Party are satisfied. The Loan shall be evidenced by a separate promissory note (a "**Note**") in the form of **Exhibit A** hereto (the terms of which are incorporated herein by this reference thereto), with appropriate insertions. As security for the payment of the Note, with interest thereon, and as security for all other indebtedness and obligations, absolute or contingent, present or future, matured or unmatured, of Debtor to Secured Party, together with all amounts herein agreed to be paid (the indebtedness and obligations evidenced by the Note and all other indebtedness and obligations of Debtor to Secured Party whether directly executed with or acquired by Secured Party collectively called the "**Obligations**"), the Debtor hereby mortgages, and grants a continuing, first priority security interest (the "**Security Interest**") in each item of property and the property rights identified in **Exhibit B** hereto, and each item of property or property rights which are at any time designated as being covered by and subject to the security interest granted by this Agreement, together with all accessories, attachments, parts, equipment, accessions and repairs now or hereafter affixed thereto or used in connection therewith and substitutions and replacements thereof and all products and proceeds therefrom (hereinafter collectively called the "**Collateral**"), to Secured Party, its successors and assigns. Debtor shall have the right to the possession and use of the Collateral in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any insurance policy thereon until Default hereunder.

**SECTION 3. DEBTOR'S REPRESENTATIONS AND WARRANTIES.** To induce Secured Party to make the Loan, Debtor represents and warrants that on the date hereof and on the date the Loan is made:

3.1 **Corporate Existence.** Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of Rhode Island, and it is duly qualified and in good standing as a foreign corporation authorized to do business in each state where, because of the nature of its activities or properties, such qualification is necessary or the failure to so qualify to do business shall not have a material adverse affect on the Debtor's business, assets or financial condition or the enforceability of the Transaction Documents.

3.2 **Authorization and Enforceability.** Debtor is duly authorized to execute, deliver and perform this Agreement, the Note and all other documents contemplated by any thereof (collectively the "**Transaction Documents**"), and is and will continue to be duly authorized

to borrow monies hereunder and to perform its obligations under the Transaction Documents. The Transaction Documents are and will be the legal, valid and binding obligations of Debtor, enforceable against it in accordance with their terms. Debtor's Obligations are absolute and unconditional and will not be subject to any abatement, reduction, recoupment, defense, set-off or counterclaim.

**3.3 No Conflicts.** The execution and delivery of the Transaction Documents and the performance by Debtor of its obligations under the Transaction Documents, do not and will not conflict with any provision of law or regulation, or any court or governmental order or decree or of the charter or by-laws of Debtor or of any agreement binding upon Debtor or any of its property, and will not result in the imposition of any lien or encumbrance (except by Secured Party) on any of its properties.

**3.4 No Adverse Change.** Since December 31, 1992 there has been no material adverse change in Debtor's financial condition, and there is no fact known to Debtor that would adversely effect Debtor's financial condition or ability to perform the Transaction Documents.

**3.5 Litigation.** Except as set forth in Exhibit C, no litigation or governmental proceedings are pending or threatened against Debtor, the results of which might materially adversely affect the financial condition or operations of Debtor. Debtor has no contingent liabilities not disclosed in writing to Secured Party.

**3.6 Consents.** The consent or approval of, or giving of notice to, registration with, or taking of any action in respect of or by, any federal, state, or local governmental body or any shareholder is not required with respect to the execution and delivery of, and performance under, the Transaction Documents or has previously been properly obtained or given.

**3.7 Taxes.** Debtor has filed all required tax returns, has paid all taxes due and payable and no tax liens have been filed against Debtor or its property.

**3.8 No Default.** Debtor is not in Default, in the payment or performance of any agreement to which it is a party or by which it or any of its assets are bound, or in violation of any law, court order or governmental regulation.

**3.9 Accuracy of Information.** All factual information furnished by or on behalf of Debtor to Secured Party in connection with the Transaction Documents, the transactions contemplated thereby and the Collateral is and will be true, accurate and complete in every respect.

**SECTION 4. DEBTOR'S REPRESENTATIONS AND WARRANTIES AS TO THE COLLATERAL.** To induce Secured Party to make the Loan, Debtor represents and warrants that, on the date the Loan is made, the following shall be true as to the Collateral:

**4.1 Business Purpose.** The Collateral and the proceeds of the Note will be used solely for business purposes.

4.2 **Title**. Debtor has, or forthwith will acquire title to the Collateral free and clear of all liens and encumbrances other than the lien of Secured Party created by this Agreement.

4.3 **Financing Statements**. No financing statement or recordations covering any of the Collateral is on file in any public office and no recordations covering any of the Collateral is on file with the ICC except those for which Debtor has provided to Secured Party appropriate documents necessary to release any security interest on such Collateral.

4.4 **Delivery and Acceptance**. The Collateral has been delivered to and accepted by Debtor and is in good condition, repair and working order.

4.5 **Security Interest**. Secured Party has a valid perfected first priority security interest, superior to the rights of all others, in the Collateral.

4.6 **Location**. The Collateral will at all times be used in the service as described in Exhibit D.

**SECTION 5. DEBTOR'S COVENANTS.** To induce Secured Party to make the Loan, from the date hereof and thereafter until the Obligations of Debtor are fully paid and performed, Debtor covenants that it will:

5.1 **Debt Service Coverage Ratio**. For each Fiscal Quarter and each Fiscal Year, have a Debt Service Coverage Ratio for such period calculated at the end of such period greater than 1.35 to 1.0.

5.2 **Leverage Ratio**. Maintain at all times a Leverage Ratio of equal to or less than 1.5 to 1.0 as of the end of each Fiscal Quarter.

5.3 **Net Loss**. Debtor shall not incur a net loss for a period longer than two (2) consecutive Fiscal Quarters as determined at the end of each such Fiscal Quarter.

5.4 **Working Capital**. Debtor agrees to increase its existing Revolving Line of Credit or secure a Revolving Line of Credit which will provide a minimum working capital of One Million Dollars (\$1,000,000). The Revolving Line of Credit must be funded or increased by December 31, 1993.

5.5 **Transactions with Affiliates**. Not enter into or cause, suffer or permit to exist:

(a) any arrangement or contract with any of its Affiliates requiring any payments to be made by Debtor to an Affiliate with respect to services, where compensation is due if services are not received by Debtor; and

(b) any other transaction, arrangement or contract (including, without limitation, any employment contract or agreement as to payments of a director's fees) with any of its Affiliates which would not be entered into by a prudent Person in the position of



Debtor, or which is on terms which are less favorable than those otherwise reasonably attainable on an arm's length basis from any Person which is not one of its Affiliates.

**5.6 Mergers, Consolidations, Sales.** Not, and not permit any of its Subsidiaries to, (a) be a party to any merger or consolidation in which the persons who own all the shares of Debtor immediately prior to such merger or consolidation, directly or indirectly, own less than 50% of the merged or consolidated entity; (b) enter into any reorganization or recapitalize or reclassify its capital stock; (c) without the prior written consent of Secured Party, sell, transfer, convey or lease the Collateral, and (d) without the prior written consent of Secured Party sell, transfer, convey, or lease all or a material portion of Debtor's stock or assets or sell or assign with or without recourse any receivables, other than any sales, transfer, conveyance or lease of inventory in the ordinary course of business. The disposition of 20% or more of the consolidated tangible assets of the Debtor and its subsidiaries in any twelve month period, in any transaction or in any integrated series of transactions shall be deemed to be a material portion of the assets of Debtor. Nothing in this paragraph shall preclude Debtor from causing its wholly owned Subsidiary, Connecticut Rail Systems, Inc. to be merged into Debtor.

**5.7 Maintain Collateral.** Maintain exclusive possession and control of the Collateral and keep the Collateral in good working order, repair and running condition, replace any worn, broken or defective parts, and not remove the Collateral from the service indicated in Section 4.6 or make any alterations to the Collateral which would impair the functionality or diminish the value of the Collateral, without the prior written consent of the Secured Party. Debtor will cause each item of Collateral to be maintained in conformance with all rules and regulations of AAR and FRA and, if mandated, modified so that it will qualify for unrestricted interchange in the United States and remain suitable for loading and transporting. Debtor will cause each item of Collateral to be kept marked and numbered with the identifying mark and number set forth on Exhibit E hereto. Debtor will not change or permit to be changed the identifying mark or number of any item of Collateral unless and until (i) a statement of new mark and/or number or numbers to be substituted therefor shall have been filed, recorded and deposited by Debtor in all public offices where this Agreement or the Assignment shall have been filed, recorded and deposited by Debtor and (ii) Debtor shall have furnished Secured Party an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, shall filing, recordation and deposit will protect Secured Party's interest in such items of Collateral and no additional filing, recording, deposit or giving of notice with or to any other federal, state, provincial or local government or agency thereof is necessary to protect the interest of the Secured Party in such items of Collateral. During the term of this Agreement and until all of the obligations under the Note shall have been paid in full, Debtor will not alter, deface, cover or remove such markings without the prior consent of Secured Party.

**5.8 Taxes.** Promptly pay all taxes, assessments and other charges levied or assessed against the Collateral or the ownership or use thereof.

**5.9 Liens.** Keep the Collateral free and clear of all liens, attachments and encumbrances except those created by this Agreement.

**5.10 Assign and Lease.** Not sell, assign, mortgage, lease, abandon or otherwise dispose of any interest in the Collateral without first obtaining the written consent of Secured Party.

**5.11 Access.** Upon twenty-four hours prior notice to Debtor allow Secured Party and its representatives free access to the Collateral at all reasonable times for the purpose of inspection.

**5.12 Use.** Not use or permit the Collateral to be used for any unlawful purpose or in violation of any federal, state or municipal law, statute or ordinance.

**5.13 Insurance.** Promptly notify Secured Party in writing of any loss or damage to the Collateral and keep the Collateral insured by responsible companies having a rating of 'A' or higher by Bests and acceptable to Secured Party against loss by theft and fire and against such other perils as is usually carried by owners of similar properties or as may be required by Secured Party, in such amounts and payable in such manner as shall be satisfactory to Secured Party with a standard loss payable endorsement naming Secured Party or assigns as loss-payee as their interests may appear; and provide Secured Party with evidence of such insurance upon request and assure that such insurance shall provide that Secured Party shall receive 30 days' notice of any termination, cancellation or alteration of the terms of such insurance and shall provide that the coverage afforded to Secured Party shall not be impaired or invalidated by any act or neglect of Debtor.

**5.14 Indemnity.** Indemnify Secured Party against all claims or liabilities incurred by Secured Party arising out of or connected with the ownership or use of the Collateral or in seeking to collect or enforce any rights under any of the Transaction Documents.

**5.15 Service.** Promptly notify Secured Party in writing prior to any change in (a) the service of the Collateral as described in Exhibit D, (b) the address of the Debtor, or (c) the name of the Debtor, and prior to any such changes deliver to Secured Party all UCC Financing Statements necessary to maintain the perfection and priority of the Security Interest, provided, however, Debtor shall not use or operate, or permit the use or operation of the Collateral outside of the continental United States.

**5.16 Proof of Ownership.** With the Loan request, have submitted proof of ownership (including, but not limited to invoices, bills of sale and proof of payment) for the Collateral identified in the Assignment related to such Loan plus, if any payment for such Collateral has been made, evidence satisfactory to Secured Party, in its sole discretion, of such payment.

**5.17 Financing Statements.** At request of Secured Party, join with Secured Party in executing one or more financing statements pursuant to the UCC in form satisfactory to Secured Party. In the event Secured Party requests Debtor to execute such financing statements and Debtor fails or refuses to do so, Debtor hereby authorizes Secured Party to file a copy of this Agreement or a financing statement signed only by Secured Party in all places where necessary to perfect Secured Party's Security Interest in the Collateral in all jurisdictions where such authorization is permitted by the UCC.

**5.18 Financial and Other Reports.** Furnish to Secured Party:

a) within ninety (90) days after the end of each Fiscal Year of Debtor, a copy of an annual report of Debtor prepared in conformity with GAAP and certified by an independent certified public accountant of recognized standing;

(b) within forty-five (45) days after the end of each Fiscal Quarter (except the last Fiscal Quarter of each Fiscal Year) of Debtor, a copy of an unaudited financial statement of Debtor prepared in the same manner as the report in the preceding paragraph, signed by a proper accounting officer of Debtor and consisting of at least a consolidated balance sheet as at the close of such Fiscal Quarter and consolidated statements of earnings for the period from the beginning of such Fiscal Year to the close of such Fiscal Quarter;

(c) promptly after filing, copies of the Securities and Exchange Commission reports Form 10-K, 10-Q and 8-K, as applicable.

(d) forthwith, upon learning of the occurrence of a Default or Unmatured Event of Default, or the institution of, or any adverse determination in, any litigation, arbitration proceeding or governmental proceeding which is material to the Debtor, written notice thereof describing the same and the steps being taken by Debtor to cure it.

**5.19 Maintenance of Properties.** Maintain and preserve its corporate existence and all rights, privileges and franchises now enjoyed.

**5.20 Compliance.** At all times comply with all statutes, governmental orders, rules and regulations, applicable to it including all rules of the AAR and the FRA.

**5.21 Further Assurances.** Debtor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection and protection of the security interest being herein provided whether now owned or hereafter acquired, including, without limitation, the execution and filing of any financing statements, continuation statements or other documents necessary to perfect and preserve the same and the filing of and recordation with the ICC of this Agreement.

**5.22 Identification.** Debtor shall, at its own expense, attach to and cause to be maintained on each item of Collateral that consists of rolling stock a notice satisfactory to Secured Party disclosing the Secured Party's security interest in such item. The following notice will initially be satisfactory if stenciled or contained in a placard attached to each side of each item in letters having a height of one inch or more and continually legible:

"Security Interest in favor of HCFS Business Equipment Corporation Filed with the Interstate Commerce Commission".

**SECTION 6. CURE.** If Debtor fails to observe or perform any covenants or agreement contained in this Agreement, Secured Party may, after verbal or written notice to Debtor, in addition to any other remedy, take whatever action may be necessary to remedy such failure

and should such action require the expenditure of monies to protect and preserve Secured Party's interest in the Collateral (including but not limited to payment of insurance premiums, repairs, storage, transportation, removal of liens, etc.), then the amount of such expenditure shall become secured hereby and shall become forthwith due and payable by Debtor with interest at the rate of Variable Interest Rate (as defined in the Note) plus five percent (5%) per annum or the Lock-In-Rate (as defined in the Note) plus five percent (5%) per annum in the event that Debtor has converted the Note to a fixed rate instrument prior to the Default, and if Secured Party takes any action authorized hereunder, Secured Party shall not be liable to Debtor for damages as a result of delays or temporary withdrawals of the Collateral from service or from any other cause.

**SECTION 7. ASSIGNMENT OF INSURANCE PROCEEDS.** Debtor hereby assigns to Secured Party any and all monies (including, but not limited to, proceeds of insurance or return of unearned premiums) which may become due under any policy insuring the Collateral against any loss or damage and directs the insurance company issuing such policy to make payment thereof directly to Secured Party. Debtor may, at its option, apply any insurance monies so received (within thirty (30) days of the receipt thereof) to the cost of repairs and/or to payment of any of the Obligations. If a Default under this Agreement shall occur, Debtor irrevocably appoints Secured Party as Debtor's attorney-in-fact, with full power of substitution, to receive all such monies, to execute proofs of claim, to endorse drafts, checks and other instruments for the payment of money payable to Debtor in payment of such insurance monies, to adjust and compromise any claim, to execute releases, to cancel any insurance policy covering the Collateral when such policy is not required to protect Debtor's and Secured Party's interest and to do all other acts and things that may be necessary or required to carry into effect the powers herein granted.

**SECTION 8. EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute, in the sole discretion of Secured Party and at Secured Party's option, a default ("Default"), as such term is used herein:

(a) failure to pay, when due, any amount payable on any of the Obligations and such failure shall continue for a period of ten (10) days after written notice of such failure is sent from Secured Party to Debtor;

(b) if any statement, representation or warranty made herein, in any related credit application, in any supporting financial statement or in any other related document by or on behalf of Debtor shall be false when made or breached in any material respect;

(c) failure to observe or perform any other covenant, obligation or agreement herein or in any Note or other instrument specified above after written notice thereof from Secured Party (and, if such failure is capable of being cured, the passage of twenty (20) days from the date of said notice with such failure remaining uncured).

(d) insolvency of Debtor (however evidenced); or the commission by Debtor of any act of bankruptcy; or the making by Debtor of a general assignment for the benefit of creditors; or the institution by or against Debtor for any relief under any bankruptcy

or insolvency law or the appointment of a receiver for any property of the Debtor; or the issuance or making of a writ or order of attachment or garnishment of Debtor's property or the commencement any proceeding, procedure or any remedy supplementary thereto against Debtor or Debtor's property; or the employment or enforcement of a judgment not fully covered by insurance in a material amount against Debtor or any of Debtor's property;

(e) termination or suspension of the transaction of the usual business of Debtor;

(f) damage or destruction of the Collateral which is not promptly repaired or repaired pursuant to Section 7 hereof, or should the Secured Party, reasonably and in good faith, deem the Collateral unsafe or at any risk;

(g) the Default in the performance, by Debtor, of any obligation or in the payment of any sum due to Secured Party under any other note, contract, agreement, arrangement or understanding whether executed directly with or acquired by Secured Party; or

(h) any Default by Debtor under any other document evidencing indebtedness of Debtor for borrowed money or an obligation to make lease or rental payments, which Default is not cured within ten (10) business days from the date of such Default.

**SECTION 9. REMEDIES ON DEFAULT.** Debtor agrees that whenever a Default shall be existing, Secured Party shall have the following rights and remedies to the extent permitted by applicable law: (a) to declare the Note and all Obligations due and payable, at the option of Secured Party, without notice or demand; (b) to require Debtor to assemble the Collateral upon Secured Party's demand, at Debtor's expense and make it available to Secured Party at a place designated by Secured Party; (c) to enter the place or places where any of the Collateral may be located and take and carry away the same, by any of its representatives, with or without legal process, to Secured Party's place of storage; (d) to sell the Collateral at public or private sale, whether or not the Collateral is present at such sale and whether or not the Collateral is in constructive possession of Secured Party or the person conducting the sale, in one or more sales, as an entirety or in parcels, for the best price that Secured Party can obtain and upon such terms as Secured Party may deem desirable; (e) to be the purchaser at any such sale; (f) to require Debtor to pay all expenses of such sale, taking, keeping and storage of the Collateral, including reasonable attorneys' fees; (g) to apply the proceeds of such sale to all expenses in connection with the taking and sale of the Collateral, and any balance of such proceeds toward the payment of the Obligations in such order of application as Secured Party may, from time to time, elect; and (h) to exercise any one or more rights or remedies accorded by the Uniform Commercial Code or any other applicable law. If the proceeds of any such sale are insufficient to pay the expenses, as aforesaid, and the Obligations, the Debtor agrees to pay any deficiency to Secured Party upon demand.

**SECTION 10. MISCELLANEOUS.** This Agreement is in addition to and not in limitation of any other rights and remedies Secured Party may have by virtue of any other instrument or agreement heretofore, contemporaneously herewith or hereafter executed by Debtor or by law or otherwise. Section headings and captions are inserted for convenience only and shall not

affect any construction or interpretation of this Agreement. If any provision of this Agreement is contrary to applicable law, such provision shall be deemed ineffective without invalidating the remaining provisions hereof. If and to the extent that applicable law confers any rights or imposes any duties inconsistent with or in addition to any of the provisions of this Agreement, the affected provision shall be considered amended to conform thereto. Debtor authorizes Secured Party to correct any patent errors in filing in any blanks in this Agreement and in the Transaction Documents, provided that Secured Party promptly notifies Debtor of any such correction or blanks filled in. Secured Party shall not by any act, delay or omission or otherwise be deemed to have waived any of its rights or remedies hereunder. A waiver by Secured Party of any right or remedy hereunder on any one or more occasions shall not be construed as a bar to or waiver of any such right or remedy which Secured Party would have had on any future occasion nor shall Secured Party be liable for exercising or failing to exercise any such right or remedy. Except for notices sent pursuant to Section 6 hereof, it is expressly understood and agreed that whenever the service of any notice to Debtor or Secured Party is required hereby or is otherwise required, such notice may be sent to Debtor or Secured Party by registered or certified mail return receipt requested, to the following addresses:

If Debtor:

Providence & Worcester Railroad Company  
75 Hammond Street  
Worcester, Massachusetts 01610  
Attention: Treasurer

If Secured Party:

HCFS Business Equipment Corporation  
Enterprise Corporate Towers  
Two Corporate Drive, Suite 632  
Shelton, Connecticut 06484  
Attention: Regional Credit Manager

This Agreement shall be binding, jointly and severally, upon all parties described as Debtor, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns; provided, however, the Debtor may not assign this Agreement without the prior written consent of Secured Party. THIS AGREEMENT IS EXECUTED IN, AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF ILLINOIS.

Nothing shall preclude the Secured Party from bringing an action or proceeding related to this Agreement or the Transaction Documents in any country, state or place having jurisdiction over such action. The Debtor hereby irrevocably designates Hinkley, Allen & Snyder, 1500 Fleet Center, Providence, Rhode Island 02903 as its agent to receive on its behalf service of process in Illinois. The Debtor also irrevocable consents to the service of process out of said courts by mailing a copy thereof, by registered or certified mail, postage prepaid, to the Debtor, and agrees that such service, to the fullest extent permitted by law, (i) shall be deemed in every respect effective service of process upon it in any such action or

proceeding and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing shall affect the right of the Secured Party to serve process in any other manner permitted by law.

Delivered at Prospect Heights, Illinois as of the day and year first above written.

Nicoli A. Caldwell  
Attestation of Corporate  
Secretary

**PROVIDENCE AND WORCESTER RAILROAD  
COMPANY**

Debtor

By: Robert J. Easton

Name: Robert J. Easton

Title: Treasurer

Accepted as of the date first written above:

**HCFS BUSINESS EQUIPMENT CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed and sworn to before me this 2nd day of June, 1993.

Joyce S. Brown  
Joyce S. Brown, Notary Public  
my commission expires: 04/01/99

proceeding and (ii) shall be taken and held to be valid personal service upon and personal delivery to it. Nothing shall affect the right of the Secured Party to serve process in any other manner permitted by law.

Delivered at Prospect Heights, Illinois as of the day and year first above written.

\_\_\_\_\_  
Attestation of Corporate  
Secretary

**PROVIDENCE AND WORCESTER RAILROAD  
COMPANY**

Debtor

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted as of the date first written above:

**HCFS BUSINESS EQUIPMENT CORPORATION**

By: Robert D. Ragland

Name: Robert D. Ragland

Title: Vice President

[This Agreement may be executed in counterparts]

Subscribed and sworn to before me, this 4th day of June, 1993.

Diana M. Barry  
Diana M. Barry, Notary Public  
my commission expires: 10/31/97



**EXHIBIT A**  
**PROMISSORY NOTE**

**Date: June 4, 1993**

**WHEREAS**, PROVIDENCE AND WORCESTER RAILROAD COMPANY ("Debtor") desires to borrow money from Secured Party (as defined below) at a variable interest rate and with the ability to convert to a fixed interest rate during the term of the loan;

**THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties hereto covenant and agree as follows:

**FOR VALUE RECEIVED**, Debtor promises to pay to the order of HCFS BUSINESS EQUIPMENT CORPORATION, 2700 Sanders Road, Prospect Heights, Illinois 60070, a Delaware corporation, its successors or assigns ("Secured Party"), the principal sum of Five Million and 00/100 DOLLARS (\$5,000,000), together with interest on the unpaid principal balance of this Note hereof remaining from time to time unpaid, at a rate or rates and computed on the basis, at the times and in the manner hereinafter provided.

1. **DEFINITIONS.** In this Note, the following items shall have the following meanings:
  - a. **"Adjusted Interest Rate"** shall have the meaning ascribed thereto in paragraph 2 hereof.
  - b. **"Agreement"** shall have the meaning ascribed thereto in paragraph 13 hereof.
  - c. **"Base Rate"** shall mean the rate announced from time to time by The First National Bank of Chicago as its prime rate or base rate or the equivalent thereof.
  - d. **"Commencement Date"** shall have the meaning ascribed thereto in paragraph 4 hereof.
  - e. **"Index"** shall mean from time to time, the weekly average yield on United States Treasury Securities adjusted to a constant maturity of the same period of time as the remaining Initial Term of the Note, extracted from the Federal Reserve Statistical Release H.15(519) or as interpolated therefrom, as made available by the Federal Reserve Board for the most recent week published on or before the Lock-In Adjustment Date.
  - f. **"Lock-In Adjustment Date"** shall mean the first Payment Date to occur after receipt by Secured Party of the executed Lock-In Election Certificate from Debtor pursuant to paragraph 5 hereof, but in no event less than 10 days from said receipt.

- g. **"Lock-In Election Certificate"** shall mean the form as described in Exhibit A hereto.
- h. **"Lock-In Rate"** shall have the meaning ascribed thereto in paragraph 5 hereof.
- i. **"Payment Date"** shall have the meaning ascribed thereto in paragraph 3 hereof.
2. **VARIABLE INTEREST RATE.** The interest rate from the date hereof until the earlier of: (i) Debtor's election to lock-in under paragraph 5, or (ii) the end of the Initial Term shall be equal to the Prime Rate plus one and one quarter percent (1.25%) per annum. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days. The interest rate shall be adjusted, upward or downward on each payment due date (if applicable).
3. **PAYMENTS.** Subject to paragraphs 5 and 6 hereof, payments of principal shall be paid in 120 equal consecutive monthly installments of \$41,666.67 together with accrued interest on the outstanding principal balance of the Note at the rate specified in Section 2 above, and subject to Sections 5 and 6 below commencing on \_\_\_\_\_, 1993, and on the \_\_\_\_\_ of each month thereafter (herein individually called the "Payment Date"). If the first Payment Date is more than one month from the date of funding, then Secured Party shall invoice and Debtor agrees to remit upon the terms thereof, an interest charge from the date of funding through the day preceding the Commencement Date. Installments shall be applied first to accrued and unpaid interest and the balance to unpaid principal. All installments due hereunder are payable in lawful money of the United States at the office of HCFS Business Equipment Corporation, Department 202, Carol Stream, IL 60128, or at such other place as the Secured Party may designate in writing.
4. **TERM** This Note shall commence on \_\_\_\_\_, 1993 (herein called the "Commencement Date"). The initial term of this Note is 120 months.
5. **LOCKING INTO A FIXED INTEREST RATE** During the Initial Term, upon receipt of an executed copy of the Lock-In Election Certificate by Secured Party, in the form of Exhibit A hereto, at least 10 days prior to the Lock-In Adjustment Date, Debtor can elect a fixed interest rate to be effective on the Lock-In Adjustment Date. Said election shall become irrevocable on the tenth (10th) day prior to the Lock-In Adjustment Date, and to revoke said election, such revocation must be in writing and received by Secured Party before such time as the election becomes irrevocable. The fixed rate (herein called the "Lock-In Rate") will be determined on the Lock-In Adjustment Date and shall be equal to 325 basis points over the Index. Debtor will receive a Payment Schedule reflecting the new monthly payment amounts under the Lock-In Election prior to the next Payment Date after such election.
6. **OVERDUE PAYMENTS.** Whenever any installment is not made within 10 days after its due date hereunder, Debtor shall pay a late payment charge at the rate of 5% of the amount of said overdue installment or the maximum allowable rate of interest permitted by law, whichever is less.

7. **PREPAYMENTS.** The Borrower may, at its option, on any interest payment date after the third anniversary date of this Note, prepay this Note, in full, but not in part upon 30 days' prior written notice to Lender, and upon a payment of a prepayment premium equal to (i) 1% of the principal amount of the Note to be prepaid plus (ii) the amount equal to the present value, as of the date of prepayment, of all installments of principal and interest which are avoided by such prepayments, determined by discounting such payments of principal and interest at a rate per annum equal to the Index at the time of prepayment plus 325 basis points, minus (iii) the principal amount to be prepaid. In no event shall such prepayment premium be less than 1% of the principal balance to be prepaid.
8. **MAXIMUM INTEREST PERMISSIBLE BY LAW.** In no event shall the interest rate hereunder, from time to time, exceed the maximum interest rate permitted under applicable state law. In the event that the Adjusted Interest Rate would exceed the permissible interest rate on any date, then such Adjusted Interest Rate shall be limited to the maximum rate permitted under applicable law.
9. **DEFAULT.** If there is a Default under the Agreement, then the whole principal sum with accrued interest thereon shall, at the option of the Secured Party, become immediately due and payable without further notice, demand or presentment for payment, together with any costs, fees, advancements and reasonable attorney fees incurred by the Secured Party in collecting or enforcing payment thereof and with interest from the date of such Default on the unpaid principal balance hereof at the rate of the higher of the Variable Interest Rate in effect from time to time plus five percent (5%) per annum or the Lock-In-Rate plus five percent (5%) per annum if Debtor has converted the Note to a fixed rate prior to the Default, provided in no event shall interest be due or payable in excess of the maximum rate permitted by law.
10. **NOTICES.** All notices and communications, excluding the Lock-In-Election Certificate (which may be served by facsimile) shall be mailed to Secured Party and Debtor pursuant to the procedures set forth in Section 10 of the Agreement.
11. **EXPRESS WAIVERS.** The Debtor and endorsers severally waive presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended by the Secured Party from time to time without in any way affecting the liability of the Debtor and endorsers hereof.
12. **SECURITY AGREEMENT AND GOVERNING LAW.** This Note and interest hereon are secured by a certain Loan and Security Agreement (herein called the "Agreement") of even date herewith. This Note has been negotiated, executed, delivered and is to be construed according to the laws of the state of Illinois.
13. **SUCCESSORS AND ASSIGNS.** This Note shall bind the successors and assigns of Debtor and all endorsers hereto and shall inure to the benefit of Secured Party and its successors and assigns.

14. **JOINT AND SEVERAL OBLIGATIONS.** Should this Note be signed by more than one person and/or entity, all of the obligations herein contained shall be considered joint and several obligations of each signer hereof.
15. **SECTION HEADINGS.** Titles of the sections of this Note appear as a matter of convenience only and should not be constituted a part of, nor affect the construction of, any term of this Note.

**THIS INSTRUMENT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ITS CONFLICT OF LAW PROVISIONS.**

DEBTOR:

**PROVIDENCE AND WORCESTER RAILROAD COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Attestation

**EXHIBIT A TO PROMISSORY NOTE  
LOCK-IN-ELECTION CERTIFICATE**

**LOAN #1664**

**TO: HCFS Business Equipment Corporation  
Enterprise Corporate Towers  
Two Corporate Drive, Suite 632  
Shelton, Connecticut 06484  
Attn: Administrator**

The undersigned, Debtor(s) on that certain Promissory Note, dated \_\_\_\_\_, 1993, (the "Note") hereby elects to lock-in to a fixed interest rate, pursuant to and in accordance with paragraph 5 thereof.

I(we) understand that this Lock-In-Election shall become **irrevocable** on the 10th day prior to the Lock-In Adjustment Date, as that term is defined in the Note, and that in order to revoke this Lock-In-Election, I(we) must do so, in writing, so that the revocation shall be received by Secured Party prior to the 10th day before the Lock-In Adjustment Date.

**DEBTOR:**

**PROVIDENCE AND WORCESTER RAILROAD COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Received by Secured Party on this \_\_\_\_\_ day of \_\_\_\_\_, 1993.

**HCFS BUSINESS EQUIPMENT CORPORATION  
SECURED PARTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Attestation

## EXHIBIT B

### COLLATERAL SCHEDULE

(Page 1 of 3)

All of the following property together with all present and future attachments, accessories, exchanges, replacement parts, repairs and additions thereto, and all chattel paper, documents, general intangibles, property rights, instruments, accounts and contract rights now existing or hereafter arising with respect to any of the foregoing is subject to the Loan and Security Agreement, dated June 2, 1993, between PROVIDENCE AND WORCESTER RAILROAD COMPANY and HCFS BUSINESS EQUIPMENT CORPORATION and used in the service as described below.

#### A. RAILROAD TRACK STRUCTURE

Railroad track structure located on the Norwich Line between the Massachusetts/Connecticut State Line at MP 53.1 and Norwich, Connecticut at MP 14.2 to remain in place, except for replacements made as a result of maintenance or repair to such track structure.

#### B. ROLLING STOCK NOT IN INTERLINE SERVICE

##### P&W Owned Tank Car

1. (1) 1260 gallon Tank Car (PW 94460)

##### Year Purchased

1985 (Used: 1954)

##### P&W Owned Passenger Equipment

1. Safety Car (CSXT951553)
2. Observation Car (PW 90)
3. Dining Car (PW 8340)
4. Power Car (PW 51)
5. 2 Passenger Coaches (PW 4587, 4592)

##### Year Purchased

1988 (Used: 1953)  
1979 (Used: 1950)  
1981 (Used: 1959)  
1983 (Used: 1957)  
1982 (Used: 1954)

##### P&W Owned Cranes

1. Holmes RC-50-55 Ton Crane
2. Isringhausen Crane
3. American Crane 25 Ton Cap

##### Year Purchased

1980 (Used: 1970)  
1985 (Used: 1978)  
1981 (Used: 1945)

##### P&W Owned Backhoes and Front End Loaders

1. John Deere 644E Loader
2. John Deere JD410 Backhoe
3. John Deere 410C Backhoe
4. John Deere 710B Backhoe
5. Pettibone Swing Loader

##### Year Purchased

1989 (New)  
1980 (New)  
1990 (New)  
1986 (New)  
1987 (Used: 1966)

**EXHIBIT B**  
**COLLATERAL SCHEDULE**  
 (Page 2 of 3)

**P&W Owned Gondolas**

1. (12) 70 Ton M of W Gondolas @ \$800  
 (PWMW 3-27)

**Year Purchased**

1976 - 1979  
 (Used: 1945 - 1967)

**P&W Owned Ballast Cars**

1. (13) 70 Ton Enterprise Cars  
 @ \$8,500 (PWMW 253-284).

**Year Purchased**

1982 (Used: 1957)

2. (14) 70 Ton M.K. Cars @ \$9,000  
 (PWMW 201 - 214)

1981  
 (Used 1952 - 1959)

**P&W Owned Side Dump Cars**

1. (4) Dump Cars Air Operated @ \$6,000 ea.

**Year Purchased**

1980  
 (Used: 1948 - 1949)

**P&W Owned Flat Cars**

1. (1) Bulkhead Flat Car (PW 406)
2. (2) Flat Cars @ \$1,500 ea. 50 Ton (PW 403)
3. (2) Flat Cars @ \$6,000 ea. 100 Ton (PW 404, 405)
4. (2) Flat Cars @ \$1,500 ea. 50 Ton (PW 401, 402)

**Year Purchased**

1988 (Used: 1966)  
 1982  
 (Used: 1939 - 1945)  
 1986 (Used: 1968)  
 1976  
 (Used: 1939 - 1945)

**P&W Owned Cabooses**

1. (2) Cabooses (PW 2116, 2117) @ \$4,000 ea.

**Year Purchased**

1984 (Used: 1969)

**P&W Owned M of W Machinery**

1. Canron Mark III Switch Tamper
2. Canron Mark II Torsion Beam Switch Tamper
3. Canron Electromatic Jr. Tamper
4. Kalamazoo Tamping Jack
5. Canron Model C Ballast Reg.
6. Canron BEB Ballast Reg.
7. Portec/RMC Brush Cutter
8. Rexnord Tie Extractor
9. Loram Tie Insertor
10. Nordberg Super "B" Hydra-Spiker
11. Kershaw Tie Bed Scarifier Model 34-3
12. Kershaw Bridge Crane Model 11-3
13. Kershaw Tie Crane 12-419
14. Ditch Witch 65-10
15. Tamper Gopher Undercutter, Model G04
16. Kershaw Dual Tie Saw, Model DTS-H2

**Year Purchased**

1989 (New)  
 1978 (New)  
 1987 (Used: 1974)  
 1987 (Used: 1964)  
 1989 (New)  
 1979 (New)  
 1980 (New)  
 1986 (New)  
 1981 (New)  
 1989 (New)  
 1979 (New)  
 1979 (New)  
 1985 (Used: 1975)  
 1992 (New)  
 1992 (Used: 1977)  
 1992 (New)

## EXHIBIT B

### COLLATERAL SCHEDULE

(Page 3 of 3)

#### P&W Owned Highway Equipment

	<u>Year Purchased</u>
1. C&S Boom Hi-Rail Truck	1989 (New)
2. M of W Boom GMC (1992)	1992 (New)
3. M of W Boom Hi-Rail (1980) International	1980 (New)
4. M of W Boom Ford (1985)	1985 (New)
5. M of E Boom GMC (1991)	1991 (New)
6. Case Unimog Trackmobile	1991 (Used: 1975)

#### C. ROLLING STOCK USED IN INTERLINE SERVICE

##### P&W Owned Locomotives

	<u>Year Purchased</u>
1. MLW 2000 hp with cab signals 5 @ \$150,000 ea. (PW 2001-2005)	1974/1975 (New)
2. G.E. 1800 hp (PW 1801)	1976 (New)
3. G.P.9 1700 hp (PW 1702)	1983 (Used: 1957)
4. (4) G.E. 2250 hp with cab signals (PW 2201 - PW 2204)	1978 (New: PW 2201) 1992 (Used)
5. EMD G.P.38-2 2000 hp with cab signals 1 @ \$750,000 (PW 2007) 3 @ \$525,000 (PW 2006, 2008, 2009)	1980 (3 New) 1982 (1 New)
6. EMD G.P.38 2000 hp 2 @ \$260,000 ea. (PW 2010, 2011) with cab signals	1984 (Used: 1969)
7. SW7 - 1200 hp 2 @ \$100,000 (PW 1201, 1202) with cab signals	1991 (Used: 1950)

##### P&W Owned Gondolas

	<u>Year Purchased</u>
1. (37) 100 Ton 5' sided Gondolas @ \$30,000 ea. (PW 20001 - 20037)	1980 (New) 1988 (1 Used) (BLT 1980)

#### D. ACCOUNTS RECEIVABLE

Subject to the lien created in favor of Fleet National Bank pursuant to the Revolving Credit Agreement dated March 7, 1988, as amended, all Debtor's present and future accounts receivable and all cash and non-cash proceeds of the foregoing



**EXHIBIT C**  
**LITIGATION**

**None. Intentionally Left Blank.**

## EXHIBIT D

### USE OF COLLATERAL

- A. Railroad track structure located on the Norwich Line between the Massachusetts/Connecticut State Line at MP 53.1 and Norwich, Connecticut at MP 14.2 to remain in place, except for replacements made as a result of maintenance or repair to such track structure.
- B. Rolling stock not in interline service. Locomotives, maintenance of way equipment, passenger equipment and other collateral not used in interline service shall be used on service for the properties of Providence and Worcester Railroad Company in Connecticut, Massachusetts and Rhode Island and Connecticut Rail Systems, Inc., a wholly owned subsidiary of Providence and Worcester Railroad Company in Connecticut.
- C. Rolling stock used in interline railroad service may be sent offline to other railroads in the ordinary course of business.

## EXHIBIT E

### COLLATERAL IDENTIFYING MARKS

(Page 1 of 2)

#### A. ROLLING STOCK NOT IN INTERLINE SERVICE

#### Identifying Marks

##### P&W Owned Tank Car

- |                             |          |
|-----------------------------|----------|
| 1. (1) 1260 gallon Tank Car | PW 94460 |
|-----------------------------|----------|

##### P&W Owned Passenger Equipment

- |                        |               |
|------------------------|---------------|
| 1. Safety Car          | CSXT951553    |
| 2. Observation Car     | PW 90         |
| 3. Dining Car          | PW 8340       |
| 4. Power Car           | PW 51         |
| 5. 2 Passenger Coaches | PW 4587, 4592 |

##### P&W Owned Gondolas

- |  |           |
|--|-----------|
| 1. (12) 70 Ton M of W Gondolas @ \$800 | PWMW 3-27 |
|--|-----------|

##### P&W Owned Ballast Cars

- |   |                |
|---|----------------|
| 1. (13) 70 Ton Enterprise Cars<br>@ \$8,500 | PWMW 253-284   |
| 2. (14) 70 Ton M.K. Cars @ \$9,000          | PWMW 201 - 214 |

##### P&W Owned Flat Cars

- |  |             |
|--|-------------|
| 1. (1) Bulkhead Flat Car               | PW 406      |
| 2. (2) Flat Cars @\$1,500 ea. 50 Ton   | PW 403      |
| 3. (2) Flat Cars @ \$6,000 ea. 100 Ton | PW 404, 405 |
| 4. (2) Flat Cars @ \$1,500 ea. 50 Ton  | PW 401, 402 |

##### P&W Owned Cabooses

- |                 |               |
|-----------------|---------------|
| 1. (2) Cabooses | PW 2116, 2117 |
|-----------------|---------------|

EXHIBIT E

COLLATERAL IDENTIFYING MARKS

(Page 2 of 2)

B. ROLLING STOCK USED IN INTERLINE SERVICE

Identifying Marks

P&W Owned Locomotives

- |  |  |
|--|--|
| 1. MLW 2000 hp with cab signals<br>5 @ \$150,000 ea.                       | PW 2001-2005                             |
| 2. G.E. 1800 hp  | PW 1801                                  |
| 3. G.P.9 1700 hp   | PW 1702                                  |
| 4. G.E. 2250 hp with cab signals   | PW 2201                                  |
| 5. EMD G.P.38-2 2000 hp with cab signals<br>1 @ \$750,000<br>3 @ \$525,000 | PW 2007<br>PW 2006<br>PW 2008<br>PW 2009 |
| 6. EMD G.P.38 2000 hp 2 @ \$260,000 ea.<br>with cab signals                | PW 2010<br>PW 2011                       |
| 7. SW7 - 1200 hp 2 @ \$100,000<br>with cab signals                         | PW 1201<br>PW 1202                       |

P&W Owned Gondolas

- |   |                  |
|---|------------------|
| 1. (37) 100 Ton 5' sided Gondolas @ \$30,000 ea | PW 20001 - 20037 |
|---|------------------|